

Lt. Governor Garamendi Blasts Alleged Blue Shield Abuses

Commends Department of Insurance for Continuing Investigation he Launched as Insurance Commissioner

Sacramento - Lt. Governor John Garamendi, who served as California's Insurance Commissioner from 1991-1995 and 2003-2007, had the following comments today in response to allegations that Blue Shield, the State's largest private health insurer, violated the law more than 1,200 times, resulting in more than 200 Californians losing their health coverage. The allegations resulted from an investigation Garamendi launched as Insurance Commissioner in response to numerous complaints by consumers that their coverage was inappropriately dropped by Blue Shield:

"The allegations made public today of unfair rescissions and poor claims-handling by Blue Shield illustrate precisely what is wrong with California's broken health care system: critical health care decisions are left in the hands of mega-corporations whose primary interest is profit.

"This investigation, launched by the Department of Insurance during my tenure as Commissioner, should put insurers on notice that they must change their behavior for the better.
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"This is yet one more reason that we must enact a universal healthcare system that ensures every Californian has access to high quality healthcare, when they need it.

"I commend the Department of Insurance for continuing this important investigation, which has already resulted in \$1 million in claims refunded to consumers."

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